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**FROM:** Murray Mullen  
Chairman, CEO and President

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**RE:** **Coronavirus Action Plan – Update #7**

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## **2 MONTHS AND COUNTING – WHAT HAVE WE LEARNED?**

Two months ago we commenced our Plan on how to address what we saw was a potential health crisis caused by a new strain of the Coronavirus that was identified as the COVID-19 virus. We were earlier than most to adopt a formal COVID-19 Action Plan, which probably mitigated the potential for a health crisis within our organization and perhaps more importantly, our employees and associates started to take early precautions to protect themselves, their fellow worker and their families. I am pleased to report that as of today we have had only 1 confirmed positive case in our organization and because everyone involved in this situation followed the appropriate steps – including notification, distancing and reporting – the potential for spreading the virus was mitigated very quickly. Our employee is doing fine and thus far this has been simply a matter of stay at home and isolate until health services gives the all clear. Being prepared prevented a panic and most likely the spread.

In this week's message I want to share with you what I believe we have learned over the last few months along with what has changed both from a business perspective as well as how our personal lives have been impacted. Let's start with:

### **What Have We Learned?**

- First:** COVID-19 is a fast-moving infectious virus that discriminates against the elderly and those with preexisting health issues. Recent statistics here in Canada show 64,000 cases and 4,280 deaths attributed to the virus. The province of Quebec has been hit the hardest with over 34,000 cases (53%) and 2,500 deaths (58%). Clearly the medical experts will be analyzing this data to determine WHY Quebecers have been hit harder than the rest of their fellow Canadians. But here is the good news, notwithstanding the tragedy of the situation – the rate of infections, hospitalizations and deaths have not been anywhere close to the early projections, where the modelling was indicating much higher rates. In fact, early on there was real concern that our entire health care system would be compromised and overwhelmed with COVID-19 cases. Fortunately the modelling was wrong.
- Second:** Today our health care system is better prepared to handle this virus and help those compromised. But unfortunately this comes late for those most vulnerable. Places like senior care facilities became 'hot spots' for the virus and because the elderly are the most at risk to COVID-19 they became the statistics we all feared. Reports indicate that up to 80% of all deaths are related to the elderly and in those in care facilities. Locking down most of the economy and ordering stay at home from our government officials didn't help these people. The system unequivocally failed them.
- Third:** COVID -19 spreads rapidly in 'closed spaces'. Look at the stats and you will see that when people are gathered together in close contact with each other, especially in a closed environment like a cruise ship, a long term care facility, a packing plant, a large work camp, a cramped subway, a mass transit system or even carpooling, bad things happen and very quickly. These are not stellar examples of 'social distancing'. So what happened, how was this missed?

- Fourth:** The more testing the better. As more and more Canadians get tested the rate of positive cases increases, because this exposes what we didn't know. Infections, however, do not necessarily change the rate of hospitalizations or deaths, because these are statistics that are well known and documented. So this is very good news because it shows that even though more cases are identified it also means that the virus itself does not have symptoms or overall stats substantially different from the average flu bug, for the vast majority of us. It spreads more rapidly but not significantly more than that. Recent reports indicate that the ACTUAL RATE OF INFECTION in our community is probably 10 times greater than the Government Statistics indicate. Does this mean that over 600,000 Canadians have or may have already been exposed to COVID-19? We need to know this information. Test and we will have better information from which to make informed decisions!
- Fifth:** FEAR IS EVERYWHERE. The pandemic of COVID-19 has morphed into a PANDEMIC of FEAR. Fellow citizens snapping at each other. Fights in the Costco parking lots. Bordering communities blaming others. The list goes on and on. Who should take the blame for the current situation? Think the government officials who constantly tell us that we must: stay at home; don't go out; we must all do our part; this is so serious. Or the media, which loves to report on the bad news of the day. Did they, for example, report on every death in Canada last year? (by the way 275,000 Canadians die each year). Of course not. But today every single COVID-19 death is reported it seems like a 100-times a day. No wonder people have succumbed to the pandemic of FEAR. The enemy may have started as COVID-19. But the true enemy is FEAR ITSELF.
- Sixth:** The economy has suffered greatly under the cease and desist orders implemented by every government. So here is what we know from this government mandated slowdown. Factories have been temporarily shut down. Businesses have been forced to close. Small business owners have been crushed, while the big box companies like Wal-Mart have been allowed to stay open. Employees have been furloughed or laid off. How about 3 million Canadians unemployed? Perhaps much higher. The service and hospitality industry has been decimated under stay at home orders and social distancing. Companies are trying to manage as demand decreases and costs rise. These are definitely unprecedented and uncertain times.
- Seven:** Don't worry the government will come to the rescue! Money for everyone is the new mantra. Perhaps this will work in the short-term, but I find it impossible to believe that there will not be longer term consequences of this new economic experiment, one I can only describe as 'print more money'! Monopoly money might be more valuable than a Canadian dollar shortly unless the Federal Government gets a handle on this 'must protect everyone strategy no matter what the cost'. There is nothing fundamentally wrong with helping out in the short-term but the key word here is SHORT-TERM!

### **What Will The Future Look Like?**

This will most certainly start taking more of the headlines. We all know that our world has been disrupted. And most likely it has changed for a long time. As I start thinking about what the new world will look like I will use this information to help plot our strategy. Here is a short list I have compiled and what I am thinking about these long but not so busy days.

- First:** We won't be going back to the old way. There will be a new normal and we must adapt.
- Second:** Until the smartest people on the planet find a vaccine or a cure for COVID-19 we will be caught somewhere between cautious and fear. This at the very earliest will be sometime in 2021. As such prepare for the Brave New World (maybe Aldous Huxley wasn't as far off and crazy as I thought).

- Third:** Technology wins – again. Think about how much we have relied upon technology to manage through the early days of this crisis. Think about how often we all use technology these days. And just wait until they come up with ‘track and trace you’. Crazy might be the operative word!
- Fourth:** We will all value our private space whether it be shopping, at the office, how we travel, how we interact with others. As the rules surrounding stay at home are relaxed, I can see more day trips, less air travel and less globalization than yesterday. Big events will be shunned for quite some time.
- Fifth:** The economy starts to recover but it is difficult to see a return to yesterday anytime soon. This means less demand and less demand translates into fewer jobs. This will be one of the biggest challenges governments and society must address. Slower economic growth and higher unemployment means higher government deficits, at all levels. How will the various levels of government handle lower revenue and higher social costs? Oh goodness me – this is a doozy!!!
- Sixth:** We have seen what fear does to society. But one of the most striking and scary scenarios is how Government Officials, public servants of WE THE PEOPLE, have been allowed to control our lives. I doubt this goes away any time soon because once they have power, they fall in love with it. We have given away many of the values we defended so passionately. And it was so easy because of the ‘Fear Factor’. They gave us money to ‘soften the blow’. A public health official can tell you what you can and cannot do. A Government Agency tells you what you must do. The government, and bureaucrats, basically control every aspect of our lives. WE HAVE NOT BEEN TRUSTED. WE MUST FOLLOW THEIR RULES. I wonder where common sense has gone? Those that pioneered this country before us, struggled mightily without the helping hand of big brother, must be looking down upon us and shaking their heads in bewilderment. Why must the government be there for everything?

**The FINAL WORD.**

Stay safe and be smart. We don’t need the government bureaucracy to tell us what is common sense. And as the economy starts to recover I look forward to the day we can start bringing many of our people back to work.

Have we seen the worst of COVID-19? I believe so. Have we seen the last of COVID-19? NO. Is the worst of the economic collapse behind us? I say YES. So now let’s all start thinking about transitioning back to some degree of normality. There is light at the end of the tunnel and this time it’s not a train! We can do this. Let’s go...

Sincerely,



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